
SENATE BILL No. 166

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.5.

Synopsis: Distribution of local option taxes. Requires the department of state revenue to transfer amounts into the special account created for a county adjusted gross income tax, a county option income tax, or an economic development income tax based on an estimate of amounts withheld by employers and deposited with the department of state revenue. Requires the department of state revenue to distribute excess amounts in the special account. Appropriates the amount necessary to make a distribution.

Effective: Upon passage.

Kenley

January 7, 2003, read first time and referred to Committee on Finance.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 166

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.5-1.1-21.1, AS ADDED BY P.L.178-2002,
2 SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 21.1. (a) ~~If, after receiving a recommendation~~
4 ~~from the budget agency,~~ **Not later than June 15 and December 15 in**
5 **each year, the department shall transfer into the special account of**
6 **each county the greater of:**

7 **(1) zero (0); or**

8 **(2) the difference between the balance in the special account**
9 **of the county and the balance that would be in the special**
10 **account if the amount actually withheld from taxpayers in the**
11 **county and deposited by a withholding agent for the**
12 **immediately preceding six (6) months ending March 31 and**
13 **October 31, respectively, had been deposited in the special**
14 **account.**

15 **The department may base a transfer into a special account on an**
16 **estimate determined from information provided by withholding**
17 **agents. The department may select a sample of withholding agents**



to provide the information needed to make the estimates required under this subsection.

(b) Not later than the second regular business day in July and January, the department ~~determines that~~ shall determine whether a sufficient balance existed in the special account of each county at the end of the immediately preceding year month in excess of the required six (6) or three (3) month balance. If the department may determines that an excess balance exists in a special account, the department shall make a supplemental distribution to a county from the county's adjusted gross income tax account in the amount of the excess. The amount necessary to make a distribution to a county under this section is annually appropriated from the special account for the county.

~~(b)~~ (c) A supplemental distribution described in subsection ~~(a)~~ (b) must be:

- (1) made in January of the ensuing calendar year, before the end of the month in which the determination is made; and
- (2) allocated and used in the same manner as certified distributions.

~~(c)~~ A determination under this section must be made before July 2.

(d) A civil taxing unit or school corporation receiving a distribution under this section may treat the amount distributed as miscellaneous revenue.

SECTION 2. IC 6-3.5-6-17.3, AS ADDED BY P.L.178-2002, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.3. (a) ~~If, after receiving a recommendation from the budget agency,~~ Not later than June 15 and December 15 in each year, the department shall transfer into the special account of each county the greater of:

- (1) zero (0); or
- (2) the difference between the balance in the special account of the county and the balance that would be in the special account if the amount actually withheld from taxpayers in the county and deposited by a withholding agent for the immediately preceding six (6) months ending March 31 and October 31, respectively, had been deposited in the special account.

The department may base a transfer into a special account on an estimate determined from information provided by withholding agents. The department may select a sample of withholding agents to provide the information needed to make the estimates required under this subsection.

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(b) Not later than the second regular business day in July and January, the department ~~determines that shall determine whether a sufficient~~ balance existed in the special account of each county at the end of the immediately preceding year month in excess of the required six (6) or three (3) month balance. If the department ~~may determines~~ that an excess balance exists in a special account, the department shall make a supplemental distribution to a county from the county's special account in the amount of the excess. The amount necessary to make a distribution to a county under this section is annually appropriated from the special account for the county.

~~(b)~~ (c) A supplemental distribution described in subsection ~~(a)~~ (b) must be:

- (1) made in January of the ensuing calendar year, before the end of the month in which the determination is made; and
- (2) allocated and used in the same manner as certified distributions: shares.

~~(c)~~ A determination under this section must be made before July 2:

(d) A civil taxing unit receiving a distribution under this section may treat the amount distributed as miscellaneous revenue.

SECTION 3. IC 6-3.5-7-17.3, AS ADDED BY P.L.178-2002, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.3. (a) ~~If, after receiving a recommendation from the budget agency,~~ Not later than June 15 and December 15 in each year, the department shall transfer into the special account of each county the greater of:

- (1) zero (0); or
- (2) the difference between the balance in the special account of the county and the balance that would be in the special account if the amount actually withheld from taxpayers in the county and deposited by a withholding agent for the immediately preceding six (6) months ending March 31 and October 31, respectively, had been deposited in the special account.

The department may base a transfer into a special account on an estimate determined from information provided by withholding agents. The department may select a sample of withholding agents to provide the information needed to make the estimates required under this subsection.

(b) Not later than the second regular business day in July and January, the department ~~determines that shall determine whether a sufficient~~ balance existed in the special account of each county at the end of the preceding year that exceeded month in excess of the



1 required six (6) month balance. as of the end of the preceding year, If
 2 the department ~~may~~ **determines that an excess balance exists in a**
 3 **special account, the department shall** make a supplemental
 4 distribution to a county from the county's special account **in the**
 5 **amount of the excess. The amount necessary to make a distribution**
 6 **to a county under this section is annually appropriated from the**
 7 **special account for the county.**

8 ~~(b)~~ **(c)** A supplemental distribution described in subsection ~~(a)~~ **(b)**
 9 must be:

10 (1) ~~made in January of the ensuing calendar year; before the end~~
 11 **of the month in which the determination is made; and**

12 (2) ~~allocated and used~~ in the same manner as certified
 13 distributions.

14 ~~(c)~~ **A determination under this section must be made before July 2:**

15 **(d) A civil taxing unit or school corporation receiving a**
 16 **distribution under this section may treat the amount distributed as**
 17 **miscellaneous revenue.**

18 **SECTION 4. An emergency is declared for this act.**

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